



# Welcome to Tenancy Deposit Solutions

Insurance-based Tenancy Deposit Protection Scheme

## ► Scheme Rules



# ► Tenancy Deposit Solutions Limited

Thank you for choosing Tenancy Deposit Solutions Limited (TDSL). TDSL has been appointed by Communities and Local Government to administer an insurance-based tenancy deposit protection scheme.

It is a condition of joining the Scheme that you agree to abide by the Scheme Rules. These rules set out the terms and conditions of your being a member of the Scheme. They detail the obligations that you accept and will need to follow when arranging to protect tenancy deposits. A copy of these Rules is attached to this document. We strongly suggest that you read and understand them. We would particularly draw your attention to Clause A3 (Cancellation of Membership) and to Clause A4 (Protection of Deposits following Cancellation of Membership).

## How the Scheme Operates for Landlords – An Overview

**The following information is an overview of how Tenancy Deposit Solutions works for landlords. Please refer to the Scheme Rules later in this document for the full terms and conditions of your membership.**

If you are a landlord in England and Wales who lets residential property on an Assured Shorthold Tenancy, and if you take a deposit from your tenant at the beginning of the tenancy, you are required under the provisions of the Housing Act 2004 to protect the deposit against misuse. The Act also places an obligation on the landlord to make certain information about the protection of the deposit available to the tenant.

Landlords can apply to become members of the Scheme. Membership of the Scheme does not depend on you being a member of any trade association or body.

Once accepted, you can protect any deposit that you hold with the Scheme so long as you register it with the Scheme. Each protected deposit will attract a protection fee to cover the insurance costs and associated administration undertaken by the Scheme Administrator. A single fee per deposit will protect it for the duration of the tenancy.

Membership registration and protection of deposits are effected via a secure internet website using a unique log-on password provided to you by the Scheme Administrator. Although you can contact the Scheme Administrator by telephone or post (for both registration and deposit protections), you are encouraged to use your online account wherever possible to ensure speed and accuracy. Payment of deposit protection fees is required immediately and can be made by credit/debit card online, by cheque or by BACS transfer if making a postal application.

Once the deposit is protected we will confirm that it is protected. Although it is your statutory obligation to notify the tenant within 14 days of your receiving the deposit that the deposit is protected, the Scheme will also notify the tenant of the protection by post.

At the end of the tenancy, if you and the tenant agree the apportionment of the deposit, you must inform the Scheme that the deposit can be unprotected. At this point the Scheme will write to the tenant advising them that the deposit has been unprotected.

If at the end of a tenancy there is a dispute over the apportionment of the deposit which you cannot resolve, the tenant, if dissatisfied, is entitled to complain to the Scheme Administrator. Once a dispute claim form has been submitted to the Scheme (by either you or the tenant), you will be asked to lodge the disputed amount with the Scheme Administrator until the dispute is resolved. The Scheme Administrator will hold the disputed amount in a secure client bank account.

You and the tenant can resolve the dispute at any time by mutual agreement. The tenant can obtain a court order to determine the apportionment of the disputed amount. Alternatively, the Scheme provides a dispute resolution service, available to you and the tenant at no additional charge. This service includes impartial, evidence-based alternative dispute resolution (ADR). Both you and the tenant must agree to the use of ADR, the decision of which will be binding on both parties. The appointed adjudicator will aim to reach a decision within 28 calendar days. The Scheme Administrator will distribute the disputed deposit amount in accordance with the decision of the adjudicator, a court order or agreement between you and the tenant.

If the disputed amount is not forthcoming from you for any reason, your membership of the Scheme will be withdrawn and you will not be able to protect any new deposits with the Scheme. The Scheme will seek recovery through the courts of the disputed amount from you. The insurance element of the Scheme will ensure that the tenant receives the disputed amount if s/he obtains a court order in favour of the tenant.

*If you have any queries regarding your Membership or the Rules contained in this document, please contact us by writing to The Chief Executive Officer, Tenancy Deposit Solutions, 3rd Floor, Kingmaker House, Station Road, New Barnet, Hertfordshire EN5 1NZ*

## Data Protection Notice

Communities and Local Government has appointed Tenancy Deposit Solutions Limited as a scheme administrator to act on its behalf to gather and process the information you provide, together with information from other sources, for the purpose of providing a tenancy deposit protection scheme as regulated by the Housing Act 2004. This includes the provision of alternative dispute resolution (ADR). For further information, please refer to the full Data Protection Notice at the end of these Scheme Rules or contact Tenancy Deposit Solutions Limited on 0871 703 0552, by email to [dataprotection@myDeposits.co.uk](mailto:dataprotection@myDeposits.co.uk), or by mail to the Customer Services Manager, Tenancy Deposit Solutions Limited, 3rd Floor, Kingmaker House, Station Road, New Barnet, Hertfordshire EN5 1NZ.

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# ▶ The Scheme Rules

## Definitions

Wherever the following words and phrases appear in this document they will always have the following meanings:

### **ADR**

An impartial, service offered by the Scheme free to agents, landlords and tenants as an alternative to court action for resolving disputes.

### **Agent**

A letting or managing agent that acts on behalf of you.

### **Application/Application Form**

The Application Form (whether completed on-line or in writing) which you have completed and any other information given to us by you or on your behalf. This is the basis of the membership contract between you and us.

### **AST**

An assured shorthold tenancy.

### **Day/Days**

Assumed to be calendar days unless stated as working days.

### **Deposit/Tenancy Deposit**

Any sum collected from the tenant at the start of the tenancy as prescribed in the tenancy agreement and held by the member or landlord client as security against performance of obligations under the tenancy agreement, any damage to property and/or non-payment of rent during the tenancy period.

### **Deposit Protection Statement**

A statement of all outstanding deposit protection fee transactions which should be paid to the Scheme when requested by the Scheme.

### **Disputed Deposit Amount**

The amount from the tenancy deposit which is the subject of a dispute over its apportionment between you or your landlord client and the tenant.

### **Dispute Notification Claim Form**

A form required by the Scheme to initiate a deposit dispute by you, your landlord client or the tenant.

### **Joint Tenancy Agreement**

A single tenancy agreement which all people living in the property have signed, thus providing equal rights and responsibilities under the tenancy to all parties subject to the agreement.

### **Landlord**

A person or organisation that owns private residential property in England and Wales that is rented to tenants.

### **Lead Tenant**

The tenant, party to a Joint Tenancy Agreement, who is authorised by all other tenants party to the Joint Tenancy Agreement to deal with the Scheme Administrator on all matters relating to the protection of the deposit on behalf of all tenant parties subject to the Joint Tenancy Agreement.

### **Member/Scheme Member/Membership**

An agent/landlord who has registered as a member of the Tenancy Deposit Solutions Scheme, and who has paid all due subscriptions and fees to the Scheme Administrator.

### **Membership Period**

The period of membership (usually twelve months or amended by agreement with the Scheme Administrator) for which membership fees have been paid in cleared funds to the Scheme Administrator.

### **NLA**

National Landlords Association Limited (by guarantee) registered in England number 4601987 at 22-26 Albert Embankment, London SW1E 7TJ.

### **Prescribed Information**

Information about the protected deposit that is required by the Act to be advised to the tenant within 10 days of you or your landlord client taking the deposit.

### **Protected Deposit/Deposit Protection**

A deposit registered with the Scheme and covered by compulsory insurance purchased by the Scheme for the benefit of the tenant.

### **Protection Certificate**

A formal certificate issued by the Scheme confirming protection of the tenancy deposit held by you or your landlord client which details the prescribed information required by the Act, a copy of which should be held by the tenant.

### **Residential Property**

Any property used wholly, solely and exclusively for domestic purposes from which no trade or profession is carried out.

### **Tenancy Agreement**

A contract between a tenant and a landlord giving rights to the tenant to occupy the accommodation and the landlord rights to receive rent for letting the accommodation.

### **Tenant**

A person who rents a building, house, set of rooms, plot of land, or some other piece of property for a fixed period of time.

### **TDSL/The Scheme/Scheme Administrator/We/Us/Our**

Tenancy Deposit Solutions Limited and/or HFIS plc T/A Hamilton Fraser Insurance (authorised and regulated by the Financial Services Authority) acting as Scheme Administrator on behalf of Communities and Local Government.

### **The Act**

Housing Act 2004, plus amendments, and any secondary legislation arising therefrom.

### **UK Resident**

A person ordinarily resident in the United Kingdom of Great Britain and Northern Ireland (excluding the Isle of Man), including a serving member of HM Forces stationed for operational purposes outside the United Kingdom of Great Britain and Northern Ireland.

### **Unprotected Deposit**

A deposit no longer registered with the Scheme and not covered by compulsory insurance.

### **You/Your**

The company or individual landlord named on the membership certificate.

## ▶ Section A: Membership

### A1 Membership Acceptance Criteria

- A1.1 A landlord is eligible to register as a member of the Scheme if the criteria listed below are met. A landlord will not be accepted into the Scheme unless s/he:
- Owns residential property in England and Wales let on a written AST.
  - Wishes to take and hold tenancy deposits themselves.
  - Is ordinarily resident in the UK.
  - Can provide a correspondence address (other than a box number) in the United Kingdom of Great Britain and Northern Ireland (excluding the Isle of Man).
  - Can provide a telephone contact number.
  - Has no convictions for money laundering or any other financial crime.
  - Is not disqualified from Membership of any other Tenancy Deposit protection scheme as defined in the Act.
  - has not been refused by any local authority in England and Wales a licence required under any part of the Act.
  - if trading as a company, partnership or trading entity, is registered, where required by law, with Companies House of the United Kingdom of Great Britain and Northern Ireland (excluding the Isle of Man).
  - Is not trading as a company, partnership or trading entity of which any director, partner and/or owners have any past or pending convictions for money laundering or any other financial crime.
  - Has paid in cleared funds all membership fees due for the period of membership.
- A1.3 At all times you must be legally liable under the Act for protecting the tenancy deposit and you must be named on the tenancy agreement relating to any deposit protected.
- A1.4 You accept that at all times that you will be held personally accountable for the holding of the tenancy deposit and for the disposal of the deposit on determination of the related AST agreement, regardless of whether you have subrogated this right to any other person or organisation (other than executors).
- A1.5 Membership of the Scheme will not commence until we have received all payment of membership fees in cleared funds and you have received confirmation from us.
- A1.6 Membership is renewable annually unless membership is cancelled by us or by you.

### A2 Payment of Membership Fees

- A2.1 You agree to pay all due membership fees in cleared funds before commencement of the first or subsequent membership periods.
- A2.2 Failure to pay any membership fees by the due date will result in immediate cancellation of your membership and application of our cancellation procedures, subject to the notice period detailed below.
- A2.3 Payment of membership fees may be made by credit or debit card (excluding Diners Card International), or by cheque provided we receive the cheque at least five working days prior to the start of the membership period.
- A2.4 Subject to our prior agreement, we will accept payment of membership fees by banker's order, or bank transfer, provided it is received or effected at least five working days before the start of the membership period.
- A2.5 Cash will not be accepted for payment of membership fees at any time unless specifically agreed with us.
- A2.6 We reserve the right to decline acceptance of membership fees at our absolute discretion and without explanation or justification.
- A2.7 We will not accept credit terms under any circumstances.

## A3 Cancellation of Membership

### By Us

- A3.1 We are entitled to cancel your membership of the Scheme by giving fourteen days notice in writing, stating the reasons for considering cancellation of membership, by recorded delivery to you at your last address known to us, during which time you are entitled to appeal to us against our decision. If, after this time period has elapsed, we decide to proceed with cancellation of membership, we will give seven days notice in writing to you of confirmation of cancellation of your membership. The scheme has the discretion to either cancel your membership or terminate protection in relation to a deposit.
- A3.2 Your membership may be cancelled by us if you fail to meet any of the following relevant obligations:
- Relevant Obligations**
- A3.2.1 Payment of the membership registration, deposit protection and membership renewal fees when requested to do so by us.
- A3.2.2 The lodging of any disputed deposit amount with us when requested to do so by us.
- A3.2.3 Protected deposits with us must not be unprotected without the knowledge or agreement of the tenant.
- A3.3 We reserve the right immediately to cancel your membership in the following circumstances:
- A3.3.1 Voluntary or involuntary winding up or dissolution of your company for any reason.
- A3.3.2 Any statements made on your Membership Application Form that is found to be incorrect or fraudulent.
- A3.3.3 Any other breach by you of these Scheme Rules which we deem to be of sufficient seriousness to warrant your exclusion from membership of the Scheme
- A3.4 You will not be entitled to any refund of membership or deposit protection fees following cancellation of your membership by us.

### By You

- A3.5 You may cancel your membership of the Scheme at any time by providing fourteen days written notice to us and by providing evidence that any deposits protected with the Scheme have been protected with an alternative scheme.
- A3.6 No refund of membership fees will be made by us apart from within fourteen days of you first joining the Scheme and you providing us with evidence that any deposits protected with the Scheme have been protected with an alternative scheme.
- A3.7 If there are any outstanding or ongoing disputes at the time of cancellation of membership by you, you agree to comply with any instructions given to you by us or, if the dispute is being dealt with by the Scheme's ADR service, the Adjudicator.

## Protection of Deposits following Membership Cancellation

- A3.8 Following cancellation of your membership by either us or you, deposits protected in previous scheme membership periods but not yet unprotected, will remain protected for a maximum of 90 days following cancellation of your membership which occurs after the 7-day final notice period stated in A3.1 above. Deposit disputes arising in this 90-day period can access our ADR services. Protection for tenancies which have not ended at the time of membership cancellation will lapse after this period of 90 days. However, any deposits for tenancies that have ended but are still under dispute will continue to be protected; this means that if a dispute has been initiated prior to membership cancellation or during the 90-day period, the deposit continues to be protected.

As soon as a deposit is no longer protected by us, you are treated as having received the deposit afresh and are required to protect the deposit in another scheme from the time protection ceases by us. You must also comply with the statutory requirement to supply the prescribed information to the tenant within fourteen days of the date that the deposit is no longer protected by us.

## A4 Changes in Membership Data

- A4.1 Your membership is not assignable to any other person or entity at any time, without exception.
- A4.2 Changes in membership data (other than transfer of rights and benefits to another person/entity) must be advised to us in writing or updated using the online account information available to each member of the Scheme.
- A4.3 You must disclose to us any change of circumstances in respect of your membership criteria (as detailed in Clause A1.1). We reserve the right to cancel your membership following disclosure of relevant facts. Non-disclosure of relevant material facts (as detailed in Clause A1.1) will automatically result in membership cancellation.

## ▶ Section B: Deposit Protection

### B1 Deposit Protection Criteria

- B1.1 You are entitled to protect with us any deposits collected from your tenants. You undertake to obtain protection from us within fourteen days of taking a deposit from a tenant.
- B1.2 You agree to provide all information deemed necessary by us to enable the deposit to be correctly protected and to enable confirmation of protection to be sent to both you and the tenant.
- B1.3 Deposits cannot be protected by us unless and until payment of the deposit protection fee is made to Us in cleared funds.
- B1.4 Protected deposits cannot be assigned to other tenants. The deposit will need to be unprotected and a new deposit protection purchased in the name of the new tenant.
- B1.5 Changes of tenant name stated on the Protection Certificate (and benefits relating to that tenant) can be accepted only in the following circumstances:
  - B1.5.1 Change of marital status.
  - B1.5.2 Change of name by deed poll.  
Evidence of the change of name will be required by us.
- B1.6 The protection of deposits by you should be advised to us using your online account wherever possible.

### B2 Joint Tenancy Agreements

- B2.1 In the case of a Joint Tenancy Agreement, You agree to manage the relationship of the parties forming the Joint Tenancy Agreement and to make provision for a lead tenant with whom we are authorised to deal in the event of a deposit dispute and other deposit enquiries.
- B2.2 You agree to supply us with any changes to the details of a Joint Tenancy Agreement including, but not exhaustive, changes to the parties making up the Joint Tenancy Agreement, changes of the lead tenant, and contact information.
- B2.3 You agree to make the parties to the Joint Tenancy Agreement aware that only the lead tenant named on the Deposit Protection Certificate is authorised to deal with us on matters relating to deposit protection and the dispute resolution service. However, all parties to the Joint Tenancy Agreement may contact us for information regarding the protection of their deposit.

## ▶ Section C: Unprotected Deposits

### C1 Unprotected Deposit Criteria

- C1.1 You are expected to advise us that a protected deposit should be unprotected as soon as the tenancy has been determined and any deposit monies returned to the tenant, but no later than ten days after the tenancy has been determined.
- C1.2 We reserve the right to contact the tenant at their last known address (or alternative address as stated on the Deposit Protection Certificate) to confirm that the deposit should be unprotected.
- C1.3 We reserve the right to accept a deposit dispute from a tenant after the deposit has been unprotected. You agree to abide with the Scheme Rules regarding notified disputes.

## ▶ Section D: Disputes between Landlord/Agent and Tenant over Return of the Deposit

### D1 Notification of a Dispute

**NOTE: For the purpose of the following Scheme Rules, some of the clauses below assume that a Deposit Dispute will be initiated by the Tenant although a Dispute can also be initiated by You.**

- D1.1 We will investigate disputes over the return of deposit monies in respect of your protected deposits or, at our discretion, previously protected by us.
- D1.2 Disputes will be investigated only on production of a dispute notification claim form by the tenant. Our investigation will be evidence-based. The tenant will be required to submit all relevant evidence to substantiate their dispute prior to us advising you of the dispute.
- D1.3 On receipt of a valid dispute notification claim form and relevant evidence, you will be notified of a potential deposit dispute. Our notification to you will include copies of the Dispute Notification Claim Form and relevant evidence supplied by the tenant.
- D1.4 We may notify you of a dispute in writing or by telephone prior to sending you the relevant documents.
- D1.5 Should the tenant not wish for the dispute to be resolved by our dispute resolution service, you will still be expected to lodge the disputed amount with us as detailed in Rule D2 below. However, you will not be required to supply us with any counter-evidence. For information purposes, you will be sent a copy of the Dispute Notification Claim Form completed by the tenant together with any supporting evidence.

### D2 Lodging of a Disputed Amount with Us

- D2.1 Upon receipt of notification from us that there is a dispute regarding the return of all or part of the deposit, you agree to lodge the disputed amount with us within ten days.
- D2.2 We reserve the right not to provide you with all evidence submitted by the tenant prior to us requesting the lodging of the disputed amount from you and you lodging this amount with us. This may be due to difficulties in sending certain types of supplied evidence such as video and audio evidence.
- D2.3 During the 10-day period (as detailed in D2.1 above), should you subsequently come to an agreement over the disputed amount with the tenant, you must advise us accordingly and before the expiry of the 10-day period. To prevent disciplinary action by us, evidence of acceptance of the arrangement from the tenant will be required prior to the expiry of the 10-day period.
- D2.4 You can lodge the disputed amount with us by completing the Disputed Deposit Remittance Form attached to the notification letter that you received from us and returning it to us, together with payment by cheque payable to 'Tenancy Deposit Solutions Limited' or by electronic transfer. You must allow a minimum of three working days for us to process the payment.

### D3 Failure to Lodge the Disputed Amount with the Scheme Administrator

- D3.1 Notwithstanding Rules D2 above, you must lodge the disputed amount with us within ten days of the date of notification of a dispute to you by us. Failure to comply with this time period will result in disciplinary action by us. You do not have to supply any counter evidence regarding the dispute within this time period.
- D3.2 If you do not comply with the request to lodge the disputed amount with us, we will seek recovery of the disputed amount from you, taking legal action if necessary.
- D3.3 You will not be able to take advantage of our dispute resolution service, including the ADR service.
- D3.4 Disciplinary action will be brought against you by us if:
  - D3.4.1 We do not receive your remittance of the disputed amount within ten days of our requesting you to lodge the disputed amount with us, or if we have not received written confirmation from the tenant of any subsequent agreement over the payment of the disputed amount.
  - D3.4.2 Clearance of the payment of the disputed amount is refused by your bank for any reason whatsoever.

## ▶ Section D: Disputes between Landlord/Agent and Tenant over Return of the Deposit cont

### D4 Holding of the Disputed Amount by the Scheme Administrator

- D4.1 We will hold the disputed amount, indefinitely, in a separate segregated client money account until either:
- D4.1.1 We are advised by the ADR service of the apportionment of the disputed amount between you and the tenant.
  - D4.1.2 We are advised by means of a court order of the apportionment of the disputed amount between you and the tenant.
  - D4.1.3 We are advised by means of a signed agreement from the tenant of the apportionment of the disputed amount between you and the tenant.
- D4.2 We are entitled to keep any interest earned by the holding of the disputed amount to assist in the running costs of the Scheme.
- D4.3 We will guarantee to make available within ten days the disputed amount to you or the tenant subject to Rule D4.1 above and no later than ten days after having receiving advice on the apportionment.

## ▶ Section E: Dispute Resolution

### E1 Definitions

**NOTE: For the purpose of the following Scheme Rules, some of the clauses below assume that a Deposit dispute will be initiated by the tenant although a dispute can also be initiated by you.**

E1.1 The following definitions are in addition to the definitions stated elsewhere in these Scheme Rules and should be read as part of the overall Scheme Rules of Tenancy Deposit Solutions Limited rather than separately.

- **Dispute Resolution Procedure** means all or any of (i) the procedure for submitting the Dispute Notification Claim Form by You or the tenant/landlord and the other party's response form; (ii) the acceptance of a dispute into the adjudication process; and (iii) adjudication including implementing the decision.
- **Agent** means the individual or company who lets or manages property on behalf of its owner.
- **Adjudication** means an evidence based decision making process as a result of which a decision shall be made as to how a Dispute should be resolved and **Adjudicate** shall be defined accordingly;
- **Adjudicator** means an impartial and qualified person appointed by us to adjudicate and provide a decision.
- **Decision** means the reasoned decision of the Adjudicator made in relation to the dispute in accordance with these Rules, as notified to the landlord/ agent and tenant and implemented by us.
- **Dispute Papers** means the Dispute Notification Claim Form, the Response Form and any additional evidence submitted by the landlord and/or the tenant.
- **Parties** means the landlord/ agent and the tenant and **Party** shall be construed accordingly.
- **Rules** means these Dispute Resolution Rules.

### E2 Eligibility to use the ADR Procedure

- E2.1 The ADR Procedure can only be used to settle a dispute.
- E2.2 Disputes will only be referred to adjudication if both the landlord/agent and tenant comply with these Rules.
- E2.3 Referring a dispute to the ADR Procedure does not remove the duty of one party to pay the other party any other amounts which are due.
- E2.4 Each party must bear their own costs of participating in the adjudication procedure. The Adjudicator cannot make any award on costs.
- E2.5 Use of the advice and assistance procedure, including ADR, is free of charge to the landlord/agent and tenant (other than the parties' own costs).
- E2.6 The landlord and tenant are free to settle the dispute between them on an agreed basis at any time and at any stage of the advice and assistance procedure, including ADR. They must both notify us of their agreement to do so by providing an instruction signed by both parties so that we can resolve the dispute in accordance with that agreement.
- E2.7 The dispute cannot involve a claim for an amount of more than the value of the deposit.
- E2.8 If either party fails to comply with any of the steps detailed in these Rules the dispute will be rejected.

- E2.9 The dispute must not be the subject of an existing or previous court action.
- E2.10 Disputes will not be admitted to the ADR procedure where, in our reasonable opinion:
  - E2.10.1 The tenant has withheld payment of rent that is due under the terms of the Tenancy Agreement.
  - E2.10.2 They relate to matters other than the return of the deposit.
  - E2.10.3 Either party has indicated their intention to issue legal proceedings and/or
  - E2.10.4 The issues involved have already been determined by a court.
- E2.11 The Adjudicator may also reject disputes which in our opinion:
  - E2.11.1 Are being pursued in an unreasonable manner.
  - E2.11.2 Are unsubstantiated by evidence.
  - E2.11.3 Are frivolous, vexatious or fraudulent.
  - E2.11.4 Raise matters which have already been decided upon or which were previously decided by a similar dispute process.

### **E3 Notification of a Dispute**

- E3.1 Following a dispute arising between the parties which cannot be resolved by negotiation between them or us, then the tenant/ landlord/agent may submit a dispute notification claim form to us.
- E3.2 The Dispute Notification Claim Form must be fully and properly completed and must include evidence in support of the claim.
- E3.3 Following receipt of the Dispute Notification Claim Form, we may request additional information or clarification. If the tenant/ landlord/ agent fails to provide such additional information or clarification within the time limits we set, we may disqualify the dispute.
- E3.4 If the tenant/ landlord fails to return the Dispute Notification Claim Form, signed and dated, within ten days of us first being notified of a potential dispute, and/or strikes out any of the mandatory declarations, then the referral to adjudication will be invalid. Submission of the Dispute Notification Claim Form constitutes acceptance of the use of the Scheme's ADR Service and will bind them to the decision of the Adjudicator.

### **E4 Notification of a Dispute to the Other Party**

- E4.1 We will provide the other party (landlord/agent/ tenant) with a copy of the tenant's Dispute Notification Claim Form and any supporting evidence.
- E4.2 The landlord or agent will have ten days to:
  - E4.2.1 Lodge the disputed amount of the deposit with us.
  - E4.2.2 Submit their counter claim, using the Response Form and enclosing rebuttal evidence and giving agreement to be party to the Scheme's advice and assistance service including the ADR Service.
  - E4.2.3 Accept the dispute and provide written confirmation to us that the disputed amount has been returned to the tenant. We will obtain confirmation from the tenant. If we hold the disputed amount we will send the tenant the disputed amount upon written agreement from the tenant.
- E4.3 If, when returning the Response Form and rebuttal evidence (or where you fail to return the Response Form and rebuttal evidence but we are satisfied that you have received our forms), you have not indicated how you wish to resolve the dispute (whether through the courts or you agree to be party to our ADR Service and be bound by its decision), subject to us having received the disputed amount from you, you will automatically be deemed to have accepted that you will be party to the ADR process and be bound by its decision.
- E4.4 If we are not in possession of the disputed amount, or we are not satisfied that the landlord/ agent is contactable despite our having used all reasonable means to contact them, we will not be able to resolve the dispute by means of ADR. We will notify the tenant accordingly and advise them that the only means open to them of resolving the dispute is to obtain a court order, on receipt of which we will guarantee payment of the disputed amount to them. We will take disciplinary action against the member of the Scheme in accordance with Rule G below.
- E4.5 If the landlord/agent does not wish to use the ADR service, we will notify the tenant accordingly and advise them that the only means open to them of resolving the dispute is to obtain a court order, on receipt of which we will guarantee payment of the disputed amount to them. Whilst we await the court order we will continue indefinitely to hold the disputed amount.

## ▶ Section E: Dispute Resolution cont

### E5 Rebuttal Evidence

- E5.1 For the purpose of these Rules, Rebuttal Evidence means submission of all the following information:
- E5.1.1 A signed copy of the Tenancy Agreement.
  - E5.1.2 Original receipts for items damaged or destroyed and estimates, invoices or receipts for any repairs already done or needed.
  - E5.1.3 A statement of the rent account and confirmation that all payments are up to date.
- E5.2 In addition, since the ADR procedure is evidence-based, the following additional evidence will assist the Adjudicator in reaching a decision:
- E5.2.1 A copy of any inventory and/or schedule of condition, signed by both the tenant and landlord/agent.
  - E5.2.2 Photographs or video footage in electronic format (in DVD/CD/j-peg/m-peg formats only).
  - E5.2.3 A check-in / check-out report.

### E6 Small Disputes

- E6.1 If at the completion of steps 1 to 5 above, it appears to us that the dispute relates to a low amount or does not involve a complicated legal issue, we reserve the right to appoint an internal adjudicator (who will be impartial and suitably qualified/trained) to contact the parties by telephone or email, as appropriate, and seek their agreement on the allocation of the disputed sum. If the parties fail to agree, the Scheme Adjudicator may make a binding award based on the evidence we have in our possession

### E7 The Adjudication

- E7.1 Upon completion of the steps detailed above, we will forward copies of the following information to the Adjudicator.
- E7.1.1 the tenant's Dispute Notification Claim Form and any supporting evidence.
  - E7.1.2 The landlord's Response Form.
  - E7.1.3 Any additional evidence submitted by the landlord and/or the tenant in the time periods detailed above.
- E7.2 The Adjudicator will be fair and unbiased and will reach a decision based on the evidence contained in the dispute papers.
- E7.3 The Adjudicator may:
- E7.3.1 Contact the parties by telephone, fax, letter or email and request any additional information or documentation they consider to be necessary to settle the dispute in a fair and reasonable way and in accordance with the law. Any such additional information must be provided within the time limits set by the Adjudicator. If either party does not provide the additional information or documents within the time set by the Adjudicator, the Adjudicator will continue the adjudication as they consider appropriate, including providing a decision based only the information and documents already provided.
  - E7.3.2 Make any necessary enquiries, provided the Adjudicator tells the parties about those enquiries and allows them to comment on the findings.
  - E7.3.3 Receive and take account of any spoken or written evidence the Adjudicator thinks is relevant.
  - E7.3.4 Carry on with the adjudication even if either party does not act in accordance with these Rules or any instruction, or if either party does not take part in any conference call arranged by the Adjudicator.
  - E7.3.5 End the adjudication if it appears that the dispute cannot be settled under it, or if the parties settle their dispute before a decision is made.
- E7.4 The Adjudicator will send copies of any additional information or documents received to the other party.
- E7.5 The Adjudicator will make a decision within 28 calendar days of receipt of the dispute papers and agreement of the parties to use the ADR service.
- E7.6 We will notify the parties in writing of the decision within two days of the decision. The decision will be binding on the parties. We will make payment in accordance with the Adjudicator's decision by cheque or electronic transfer, using the details recorded in our records for the relevant party.

- E7.7 The decision cannot be appealed via the ADR procedure.
- E7.8 Any payment to either party must be made by us within ten days of the date of the decision.

## **E8 Confidentiality**

- E8.1 The parties, us and the Adjudicator must not give specific details of the adjudication or the decision (including the reasons for it) to any person not involved in the adjudication unless this is necessary to enforce the decision or as required by law.
- E8.2 Despite Rule 8.1, if the parties agree to have their dispute settled using the ADR procedure, they give us and the Adjudicator permission to gather, keep and publish statistics and other information on their dispute as long as they cannot be identified (i.e. non-personal information).

## **E9 Liability**

- E9.1 We will take reasonable care in operating the ADR procedure and will be responsible to you for any losses or expenses suffered or incurred by you as a direct result of our negligence, wilful default or fraud. We do not accept liability for any indirect or consequential loss suffered by you or for any loss, which does not arise as a result of our negligence, wilful default or fraud.
- E9.2 We will take reasonable care in the selection and continued use of the Adjudicator but we do not accept any responsibility for any losses or expenses suffered or incurred by you as a result of any acts or omissions by the Adjudicator.

## **E10 Contacting each other**

- E10.1 All notices and other communications which you send us should be addressed to: Tenancy Deposit Solutions Limited, 3rd Floor, Kingmaker House, Station Road, Barnet, Hertfordshire EN5 1NZ.
- E10.2 We will send all documents and payments in accordance with the details we have recorded under our Insurance-based Tenancy Deposit Protection Scheme. It is the party's responsibility to notify us of any changes to their own details.

## **E11 Other ADR Rules**

- E11.1 If either party has a complaint about the ADR Procedure, the adjudication, the decision, the Adjudicator or us, the complaint should be made in writing to the address detailed in Rule GL: Complaints.
- E11.2 The ADR procedure and these Rules may be updated from time to time. Disputes will be settled in accordance with the Rules in force from time to time.
- E11.3 We may determine at our absolute discretion whether a party has complied with the Rules and is eligible to participate in, or continue to participate in, the ADR procedure.
- E11.4 We reserve the right to delay taking action on any particular instructions from you if we consider that we need to obtain further information from you or to comply with any legal or regulatory requirement binding on us (including obtaining evidence of identity to comply with money-laundering regulations), or we need to investigate any concerns we may have about the validity of, or any other matter relating to, the instruction.
- E11.5 We will not do, and will refrain from doing, anything which would or might, in our judgement, break any relevant laws, rules, regulations or codes or risk exposing us to criticism for behaving improperly or not acting in accordance with good market practice.
- E11.6 These Rules are governed by, and shall be construed in accordance with, the law of England and Wales.

## ▶ Section F: Best Practice

### F1 The Scheme's Code of Best Practice.

- F1.1 The government has introduced mandatory tenancy deposit protection as part of its drive to raise standards in the private-rented sector. Tenancy Deposit Solutions recommends a code of best practice to members of the scheme. The code, based on the Code of Practice of the National Landlords Association (NLA), is designed to help landlord members of the Scheme to run their lettings business successfully and to strike a fair and equitable balance between the interests of landlord and tenant. Whilst not binding on landlord members of the Scheme who are not members of the NLA, adherence to the Code, or otherwise, can be taken into account by an Adjudicator when considering a dispute relating to the disposal of a deposit at the termination of a tenancy.

The Code of Best Practice is at Appendix 1 to these Rules.

## ▶ Section G: Complaints

### G1 Complaints Procedure

- G1.1 Our aim is to provide a first class standard to all of our members and to do everything we can to ensure that they are satisfied. If you ever feel we have fallen short of this standard and that you have cause for complaint, please contact us:

G1.1.1 by writing to:

Tenancy Deposit Solutions Limited  
3rd Floor, Kingmaker House  
Station Road  
New Barnet  
Hertfordshire  
EN5 1NZ

G1.1.2 by email at:

complaints@myDeposits.co.uk

- G1.2 On receipt of a complaint we will:

G1.2.1 Treat all complaints seriously and investigate the matter fully.

G1.2.2 Ensure that all complaints will be advised to the appropriate director, who will appoint an employee of appropriate competence to deal with the complaint and advise you of their name and status.

- G1.3 The timescales for dealing with a complaint are as follows:

G1.3.1 If the complaint cannot be dealt with by the end of the next working day, we will provide a written acknowledgement within two working days.

G1.3.2 If we believe the complaint should be directed to another organisation, we will advise you within two working days and endeavour to provide details of the organisation or individual to whom the complaint should be directed.

G1.3.3 In complicated cases we will endeavour to complete all investigations within four working days. If we are unable to resolve the matter within that time we will advise you of the situation and give our estimate of when we anticipate conclusion.

G1.3.4 Within four weeks we will either send a final response or explain why we remain unable to conclude the matter.

## ▶ Section H: Disciplinary Procedure

### H1 Disciplinary Issues

H1.1 We may, at our discretion, invoke disciplinary proceedings against any member for the following reasons:

H1.1.1 Any attempt by the member wilfully to deceive us or provide fraudulent information to us.

H1.1.2 Failure to lodge any disputed deposit amount with us when requested to do so by us.

H1.1.3 Any breach of the Scheme Rules by a member which we deem to be of sufficient gravity to warrant disciplinary action.

H1.2 In the event that we invoke the disciplinary procedure against you:

H1.2.1 Your Membership of the Scheme will be automatically and immediately cancelled (subject to the serving of notices as set out in A3). No further deposits will be protected by us.

H1.2.2 Deposits protected by us will remain protected for a maximum period of 90 days or until you advise us that you have made alternative arrangements for the protection of the deposit.

H1.3 There will be no appeal procedure for this disciplinary procedure. Our decision is final.

## ► Data Protection Notice

### Scope

This notice applies to Communities and Local Government (CLG) for personal information about landlords, agents and tenants in connection with tenancy deposit schemes under the Housing Act 2004. The Scheme will be operated for CLG by the Scheme Administrator Tenancy Deposit Solutions Limited and/or HFIS plc T/A Hamilton Fraser Insurance (the Scheme Administrator).

### *Personal Information*

CLG (via the Scheme Administrator) collects the information you are asked to provide during your registration or which you supply during the period that any deposit is protected for you.

CLG websites and e-mails use common internet tools such as cookies and beacons.

CLG (via the Scheme Administrator) sometimes collects information about you from other sources, such as tenants, land registry data, postal services data or other sources necessary to confirm your identity or the instructions you provide to CLG.

For more information on the scheme's information collection practices (including how to delete or refuse cookies), please contact the Scheme Administrator.

### *Uses and Sharing*

Your personal information will be used solely for the purposes of the Tenancy Deposit Scheme, which includes providing alternative dispute resolution services, although CLG may disclose details of your scheme activities to regulators, industry bodies and other organisations for the purpose of fraud prevention and money-laundering prevention, or if there are concerns over your activities.

The Scheme Administrator (and its insurer Arc Legal Protection Limited, part of the AXA Insurance Group) will process the information on behalf of CLG.

In the event of a dispute, information may also be processed on behalf of CLG by any alternative dispute resolution service provider nominated by the Scheme Administrator.

These other organisations are required to protect this information on behalf of CLG and cannot use your personal information for purposes unconnected with the Scheme.

Your personal information may be transferred outside the European Economic Area for the purpose of providing you access to the information if you access the information from a website outside the European Economic Area.

The Scheme Administrator will process the personal data that it holds on behalf of CLG about you in accordance with the Data Protection Act 1998.

### Your rights

Under the Data Protection Act 1998 you have the right to access any information that CLG holds about you. You can ask CLG to correct any errors in the information. For more information on your rights please go to <http://www.communities.gov.uk/index.asp?id=1141765>, or contact the Scheme Administrator.

### Contact details

It would be helpful if you contacted the Scheme Administrator in the first instance as they process personal data on behalf of CLG. They can be contacted at Tenancy Deposit Solutions Limited, 3rd Floor, Kingmaker House, Station Road, New Barnet, Herts EN5 1NZ, by telephone on 0871 703 0552 (note that calls may be recorded) or by email on [customerservices@myDeposits.co.uk](mailto:customerservices@myDeposits.co.uk). If you wish to contact CLG you can contact them by email at [tenancy.Deposits@communities.gsi.gov.uk](mailto:tenancy.Deposits@communities.gsi.gov.uk), by phone on 020 7944 8300, or by post at Tenancy Deposit Protection Team, 2/10, Eland House, Bressenden Place, London SW1E 5DU.

## ► About Us:

### **Tenancy Deposit Solutions Limited (TDSL)**

TDSL is a joint venture company, owned equally by the National Landlords Association and HFIS plc for the purpose of delivering and operating a government –authorised Insurance-based Tenancy Deposit Protection Scheme. TDSL is an appointed representative of HFIS plc, who is authorised and regulated by the Financial Services Authority.



### **The National Landlords Association (NLA)**

The National Landlords Association (NLA) is the UK's largest representative body for Landlords letting private residential property and has members countrywide.. It protects and promotes the interest of private residential Landlords and represents their views to government, local authorities and the media. The NLA seeks a fair legislative and regulatory environment for the private-rented sector while aiming to ensure that Landlords are aware of their statutory rights and responsibilities. It campaigns to raise standards in the private rented sector whilst fostering a professional and amicable relationship between Landlord and Tenant. For further information visit [www.landlords.org.uk](http://www.landlords.org.uk).



### **Hamilton Fraser Insurance Solutions (HFIS)**

Hamilton Fraser Insurance Solutions is a trading name of HFIS plc, an established insurance broker that is authorised and regulated by the Financial Services Authority. Hamilton Fraser Insurance is a major participant in the specialised Property Insurance Sector. Hamilton Fraser Insurance provides insurance services to clients throughout the UK including, through their tailored product branded 'Landlord Solutions', a premier insurance product for residential landlords and managing agents. For more information visit: [www.hfis.co.uk](http://www.hfis.co.uk). Hamilton Fraser Insurance is the appointed Scheme Administrator for Tenancy Deposit Solutions Limited.



## ► Appendix 1: Code of Best Practice for Landlord Members of the Scheme

The aim of this code is to provide a brief statement of standards that members are expected to observe in connection with the letting of their residential properties.

1. The Code of Practice (CoP) is designed to raise and maintain standards in the private-rented sector. It sets out the standards of good practice that members are expected to observe in connection with the letting of their residential properties, and it seeks to promote good relations between landlord and tenant by ensuring a good standard of service to tenants.
2. Whether they manage their lettings themselves or do so through an agent or any third party, members are expected to observe the CoP.
3. Amendments to the CoP will be made as considered necessary by the Board of TDSL (after consultation with the NLA) and notified to members. Should there be any inconsistency between legislation and the CoP, legislation will take precedence.

### Creating a Tenancy

4. Members should provide tenants with a written statement of the terms of their occupancy, stating the:
  - 4.1 Address of the property being let, and what it is.
  - 4.2 Start and end dates of the tenancy period.
  - 4.3 Rent terms (frequency and method of payment).
  - 4.4 Deposit amounts (and how the deposit will be protected).
  - 4.5 Landlord's contact address in the UK for the service of notices.
5. The member will make every effort to assist the tenant with the understanding of their tenancy agreement, referring them if necessary to an independent body for further advice.
6. The member will inform the tenant in writing of any additional charges, utility bills, ground rent or maintenance charges that the tenant will be required to pay during the tenancy, stating where possible the amounts for each and the frequency and method of payment.
7. The member will provide the tenant, at the beginning of the tenancy, with a telephone number or other means of contacting the landlord or their agent in an emergency; in particular when the landlord is absent.
8. The member will give such reasonable assistance as is required by a local authority to enable a tenant to claim housing benefit/local housing allowance.
9. If a tenancy is managed by an agent or other third-party there should be a written agreement between the landlord and the agent that should include the CoP.

### Provision of Inventories/Schedules of Condition

10. The landlord is advised to provide a written inventory/schedule of condition to the tenant at the start of the tenancy period. The inventory/schedule of condition should be agreed and signed by the tenant as being an accurate and fair document. Experience shows that this practice can reduce the number of disputes over deductions made by the landlord from the deposit at the end of the tenancy.

### Maintaining a Tenancy

11. Members are expected to abide by relevant landlord/tenant law, including racial equality and disability legislation, in the management of their lettings businesses. Where not covered specifically by the CoP, landlord/tenant law will, by implication and by default, be considered part of the CoP. In particular:
  - Tenants will be treated with appropriate courtesy and respect and will not be deliberately misled.
  - Members will act in a fair, honest and reasonable way in all their dealings with the tenant and will not, as far as is reasonable, disclose personal information about the tenant without their consent to other parties.
  - Members will acknowledge promptly (usually within two working days of receipt) all communications received from the tenant.
  - Members will inform the tenant of any change of manager or landlord contact details.
  - Members will abide by the Rules of the Scheme and accept that any breach of relevant rules will result in cancellation of their membership of the Scheme.
  - All disrepair in the property for which the member is responsible will be attended to promptly, with minimum disturbance to the tenant. Wherever possible urgent repairs will be dealt with within three

working days and less urgent repairs as soon as practicable.

- Members will respect the tenant's rights to peaceful and quiet enjoyment of the property and will, emergencies excepted, ensure the tenant is given reasonable notice of at least 24 hours when access to the property is required by the member or agent.
- Members will provide the tenant with accommodation that complies with legal requirements relating to the fitness of accommodation (including, but not limited to, the provision of furniture, gas and electrical supply and appliances and their service/maintenance and repair, provision of rent book for weekly tenancies as appropriate, and local authority occupancy standards).
- Members will, when requested, provide the tenant with a written statement of their tenancy account within five working days.
- Before proceedings are commenced, the tenant will be notified of any breach of the tenancy agreement that is to be used as a basis for legal proceedings against the tenant.

#### Determination of a Tenancy

12. Members taking and holding a tenancy deposit, or on whose behalf a letting agent takes and holds a tenancy deposit, will do so in accordance with any legal requirements for the protection of deposits which may be in force at the time. At the end of the tenancy members will return any deposit paid by the tenant promptly in accordance with tenancy deposit protection legislation in effect at the time.
13. Members will not refuse a tenant a reference for the purposes of securing a new tenancy, without good cause.



# TENANCY Deposit Solutions

[www.mydeposits.co.uk](http://www.mydeposits.co.uk)

## **Tenancy Deposit Solutions Limited**

Insurance-Based Tenancy Deposit Protection Scheme  
3rd Floor, Kingmaker House  
Station Road  
New Barnet  
Hertfordshire  
EN5 1NZ

**Tel: 0871 703 0552**  
**[www.mydeposits.co.uk](http://www.mydeposits.co.uk)**

**Tenancy Deposit Solutions Limited:** Registered in England No.:05861648  
Registered Office:3rd Floor, Kingmaker House, Station Road, New Barnet, Hertfordshire EN5 1NZ

Tenancy Deposit Solutions Limited is an appointed representative of HFIS plc who are authorised and regulated by the Financial Services Authority